

# Customer Collaborative Meeting October, 2005



# Customer Collaborative October Meeting

## Financial Overview through August 31, 2005

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- Based on a review of actual results through August 31, 2005, the FCRPS Modified Net Revenue (MNR) actuals to date remain on course with the 3<sup>rd</sup> Quarter Forecast. Agency MNR actuals to date are \$159.5 million.
- Power Business Line MNR totaling \$177.5 million through August 31, 2005, are tracking with the forecast presented in the 3<sup>rd</sup> Quarter Review.
  - Current total operating revenues are \$2,573.9 million.
  - Our results this month are not inconsistent with what we expected at the time of the 3<sup>rd</sup> Quarter Review. Current expenses (operating expenses and net interest expense) total \$2,238.0 million.
- Transmission Business Line net revenue/expense through August 31, 2005, are consistent with the 3<sup>rd</sup> Quarter Review forecast. Current actuals to date indicate net expense of \$19.1 million.
  - TBL revenues of \$580.8 million through August 31, 2005 are tracking with the total revenue forecast in the 3<sup>rd</sup> Quarter Review.
  - TBL actual expenses through August 31, 2005 are tracking with the forecast presented in the 3<sup>rd</sup> Quarter Review. Current expenses (operating expenses and net interest expense) total \$599.9 million.



# Customer Collaborative October Meeting

## Financial Overview through August 31, 2005

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- FCRPS Statement of Revenue and Expenses
- PBL Statement of Revenue and Expenses
- PBL/BPA Statement of Modified Net Revenue
- TBL Statement of Revenue and Expenses
- Corporate Statement of Revenue and Expenses



# Customer Collaborative October Meeting

## Financial Overview through August 31, 2005

Federal Columbia River Power System					Data Source: EPM Data Warehouse
Statement of Revenues and Expenses - Customer Collaborative					Run Date: September 14, 2005
Through the Month Ended August 31, 2005 as of August 31, 2005					Run Time: 00:46
Preliminary/ Unaudited					% of Year Lapsed = 92%
Report ID: CC_0020					
Requesting BL: CORPT					
Unit of measure: \$ Thousands					
	A	B <Note 3	C <Note 4	D	E
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 3 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
<b>Operating Revenues</b>					
1 Gross Sales (excluding bookout adjustment) <Note 1	3,185,651	3,099,412	3,271,836	3,026,493	2,909,296
2 Bookout adjustment to Sales <Note 1	(212,155)		(188,516)	(225,547)	(199,915)
3 Miscellaneous Revenues	53,364	58,620	48,026	52,709	45,153
4 Derivatives - Mark to Market Gain (Loss) <Note 2	89,452		8,128	80,786	69,567
5 U.S. Treasury Credits	81,600	83,655	57,100	53,625	77,171
6 <b>Total Operating Revenues</b>	<b>3,197,911</b>	<b>3,241,687</b>	<b>3,196,575</b>	<b>2,988,066</b>	<b>2,901,272</b>
<b>Operating Expenses</b>					
Power System Generation Resources					
Operating Generation Resources					
7 Columbia Generating Station	222,115	243,835	244,400	226,413	200,699
8 Bureau of Reclamation	59,599	63,700	61,000	51,192	53,595
9 Corps of Engineers	137,139	144,500	144,500	127,688	126,597
10 Long-term Contract Generating Projects	24,560	29,580	28,126	23,523	21,345
11 Operating Generation Settlement Payment	16,838	17,000	17,800	16,527	15,567
12 Non-Operating Generation	4,578	8,000	4,100	3,814	3,596
13 Gross Contracted Power Purchases and Augmentation Power Purchases (excluding bookout adj.) <Note 1	758,163	609,261	761,979	725,662	700,375
14 Bookout Adjustment to Power Purchases <Note 1	(212,155)		(188,516)	(225,547)	(199,915)
15 Residential Exchange/IOU Settlement Benefits	125,915	144,418	144,418	132,453	116,162
16 Renewable and Conservation Generation, including C&RD	82,551	92,307	87,890	75,015	74,629
17 <b>Subtotal Power System Generation Resources</b>	<b>1,219,303</b>	<b>1,352,602</b>	<b>1,305,697</b>	<b>1,156,741</b>	<b>1,112,650</b>
18 PBL Transmission Acquisition and Ancillary Services - (3rd Party) <Note 6	43,624	51,600	45,150	36,176	30,956
19 PBL Non-Generation Operations	57,418	52,048	52,417	45,425	50,575
20 Transmission Operations	83,945	77,893	77,035	68,056	75,078
21 Transmission Maintenance	77,475	83,218	75,251	71,051	69,227
22 Transmission Engineering	19,271	9,099	9,415	7,538	9,975
23 TBL Transmission Acquisition and Ancillary Services - (3rd Party) <Note 5, 6	3,895	13,490	13,499	5,496	4,843
24 Transmission Reimbursables	8,352	9,645	10,900	10,271	7,421
25 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	170,320	172,649	165,736	120,664	122,760
General and Administrative/Shared Services					
26 Additional Post-Retirement Contribution	30,900	26,500	26,500	24,292	28,325
27 Corporate Support (G&A and Shared Services) / TBL Supply Chain	84,158	118,207	117,433	105,713	74,381
28 Other Income, Expenses & Adjustments	(4,731)	(980)	699	(4,880)	(557)
29 Non-Federal Debt Service <Note 5	248,475	387,047	277,472	264,286	219,452
30 Depreciation & Amortization <Note 5	366,239	368,351	368,267	337,131	329,530
31 <b>Total Operating Expenses</b>	<b>2,408,646</b>	<b>2,721,368</b>	<b>2,545,470</b>	<b>2,247,960</b>	<b>2,134,616</b>
<b>Net Operating Revenues (Expenses)</b>	<b>789,266</b>	<b>520,319</b>	<b>651,105</b>	<b>740,106</b>	<b>766,656</b>
<b>Interest Expense</b>					
33 Interest	323,291	320,371	296,910	274,284	290,024
34 AFUDC	(38,441)	(26,855)	(22,375)	(20,268)	(27,736)
35 <b>Net Interest Expense</b>	<b>284,850</b>	<b>293,516</b>	<b>274,535</b>	<b>254,016</b>	<b>262,288</b>
<b>Net Revenues (Expenses) from Continuing Operations</b>	<b>504,415</b>	<b>226,803</b>	<b>376,570</b>	<b>486,090</b>	<b>504,368</b>
<b>Net Revenues (Expenses)</b>	<b>\$504,415</b>	<b>\$226,803</b>	<b>\$376,570</b>	<b>\$486,090</b>	<b>\$504,368</b>

- <1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.
- <2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.
- <3 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.
- <4 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties among other factors may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.
- <5 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. VIES information is not included in rate case, budget and forecast data.
- <6 The consolidated FCRPS Statement reduces reported Revenues and Expenses where between business line transactions occur, the most significant of which are for Transmission Acquisition and Ancillary Services.



# Customer Collaborative October Meeting

## Financial Overview through August 31, 2005

Power Business Line					
Report ID: CC_0021		Statement of Revenues and Expenses - Customer Collaborative		Data Source: EPM Data Warehouse	
Requesting BL: POWER		Through the Month Ended August 31, 2005 as of August 31, 2005		Run Date/Time: September 14, 2005 00:55	
Unit of measure: \$ Thousands		Preliminary/ Unaudited		% of Year Lapsed = 92%	
	A	B <Note 3	C <Note 4	D	E
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 3 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
<b>Operating Revenues</b>					
1 Gross Sales (excluding bookout adjustment) <Note 1	2,682,584	2,597,951	2,767,222	2,568,735	2,447,303
2 Bookout adjustment to Sales <Note 1	(212,155)		(188,516)	(225,547)	(199,915)
3 Miscellaneous Revenues	20,495	15,768	22,486	28,724	16,462
4 Inter-Business Unit	76,923	69,648	71,370	67,629	71,678
5 Derivatives - Mark to Market Gain (Loss) <Note 2	89,452		8,128	80,786	69,567
6 U.S. Treasury Credits	81,600	83,655	57,100	53,625	77,171
7 <b>Total Operating Revenues</b>	<b>2,738,898</b>	<b>2,767,023</b>	<b>2,737,791</b>	<b>2,573,952</b>	<b>2,482,266</b>
<b>Operating Expenses</b>					
Power System Generation Resources					
Operating Generation Resources					
8 Columbia Generating Station	222,115	243,835	244,400	226,413	200,699
9 Bureau of Reclamation	59,599	63,700	61,000	51,192	53,595
10 Corps of Engineers	137,139	144,500	144,500	127,688	126,597
11 Long-term Contract Generating Projects	24,560	29,580	28,126	23,523	21,345
12 Operating Generation Settlement Payment	16,838	17,000	17,800	16,527	15,567
13 Non-Operating Generation	4,579	8,000	4,100	3,814	3,598
14 Gross Contracted Power Purchases and Aug Power Purchases (excluding bookout adj.) <Note 1	758,163	609,261	761,979	725,662	700,375
15 Bookout Adjustment to Power Purchases <Note 1	(212,155)		(188,516)	(225,547)	(199,915)
16 Residential Exchange/IOU Settlement Benefits	125,915	144,418	144,418	132,453	116,162
17 Renewable and Conservation Generation, including C&RD	82,599	92,307	87,890	75,081	74,660
18 <b>Subtotal Power System Generation Resources</b>	<b>1,219,353</b>	<b>1,352,602</b>	<b>1,305,697</b>	<b>1,156,806</b>	<b>1,112,683</b>
17 PBL Transmission Acquisition and Ancillary Services	149,986	171,400	149,585	134,419	128,672
18 Power Non-Generation Operations	58,579	52,519	52,417	45,572	50,968
19 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements	170,569	173,036	165,736	120,777	122,927
General and Administrative/Shared Services					
20 Additional Post-Retirement Contribution	15,450	13,250	13,250	12,146	14,163
21 Corporate Support - G&A and Shared Services; TBL Support - Supply Chain	37,365	53,679	53,679	47,849	32,634
22 Other Income, Expenses & Adjustments	(629)		1,276	(3,165)	68
23 Non-Federal Debt Service	429,142	512,503	403,624	409,532	386,927
24 Depreciation & Amortization	177,297	179,201	177,667	162,094	160,658
25 <b>Total Operating Expenses</b>	<b>2,257,111</b>	<b>2,508,190</b>	<b>2,322,931</b>	<b>2,086,030</b>	<b>2,009,698</b>
26 <b>Net Operating Revenues (Expenses)</b>	<b>481,787</b>	<b>258,832</b>	<b>414,860</b>	<b>487,921</b>	<b>472,568</b>
<b>Interest Expense</b>					
27 Interest	180,444	186,999	175,840	159,845	157,264
28 AFUDC	(17,913)	(9,320)	(8,875)	(7,847)	(8,674)
29 <b>Net Interest Expense</b>	<b>162,531</b>	<b>177,679</b>	<b>166,965</b>	<b>151,998</b>	<b>148,590</b>
30 <b>Net Revenues (Expenses) from Continuing Operations</b>	<b>319,256</b>	<b>81,153</b>	<b>247,894</b>	<b>335,923</b>	<b>323,978</b>
31 <b>Net Revenues (Expenses)</b>	<b>\$319,256</b>	<b>\$81,153</b>	<b>\$247,894</b>	<b>\$335,923</b>	<b>\$323,978</b>

<1 For BPA management reports, Gross Sales and Purchase Power are shown separated from the power bookout adjustment (EITF 03-11, effective as of Oct 1, 2003) to provide a better picture of our gross sales and gross purchase power.

<2 This is an "accounting only" (no cash impact) adjustment representing the mark-to-market (MTM) adjustment required by SFAS 133, as amended, for identified derivative instruments. The MTM adjustment is excluded in calculating Modified Net Revenues for rate setting purposes.

<3 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05.

<4 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.



# Customer Collaborative October Meeting

## Financial Overview through August 31, 2005

Report ID: CC_0022 Requesting BL: CORPT Unit of measure: \$ Thousands		Federal Columbia River Power System <b>Schedule of Net Revenue (Expense) to Modified Net Revenue - Customer Collaborative</b> Through the Month Ended August 31, 2005 as of August 31, 2005 Preliminary/ Unaudited		Data Source: EPM Data Warehouse Run Date: September 14, 2005 Run Time: 01:02	
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	A	B	C	D	E	F <Note 9	G <Note 7
	Actuals: FY 2000	Actuals: FY 2001	Actuals: FY 2002	Actuals: FY 2003	Actuals: FY 2004	Target SOY: FY 2005	Forecast: QTR FY 2005
<b>Power Business Line (PBL)</b>							
1 <b>PBL Net Revenue (Expense) &lt;Note 1</b>	252,130	(380,538)	(87,421)	242,996	319,256	81,153	247,894
<b>PBL Modified Net Revenue Adjustments:</b>							
2 <b>SFAS 133 Adjustments (MTM) &lt;Notes 1, 2</b>		(120,614)	38,354	55,265	89,452		8,128
3 <b>ENW Debt Adjustments &lt;Note 2</b>	(81,677)	(157,853)	(264,697)	(148,085)	(151,275)	(18,950)	(121,972)
4 <b>PBL Modified Net Revenue Adjustments &lt;Note 3</b>	(81,677)	(37,239)	(303,051)	(203,350)	(240,727)	(18,950)	(130,100)
5 <b>PBL Modified Net Revenue &lt;Note 4</b>	170,453	(417,778)	(390,472)	39,646	78,529	62,203	117,794
6 <b>PBL Accumulated Net Revenue (GRSP Defined) &lt;Note 5</b>	170,453	(247,325)	(637,797)	(598,151)	(519,622)	(457,419)	(401,828)
7 <b>FBCRAC Threshold Amount &lt;Note 6</b>	--	(386,000)	(408,000)	(378,000)	(264,000)	(334,000)	(334,000)
8		<b>MNR Improvements Required to not trigger FBCRAC</b>					<b>67,828</b>
9 <b>FCRPS Modified Net Revenue &lt;Note 8</b>	159,300	(374,640)	(346,387)	36,874	66,327	63,129	101,670

-1 Includes \$168,491k unrealized loss due to the Cumulative Effect of Change in Accounting Principle for SFAS 133, which was posted to FY 2001. This amount is excluded when calculating the MNR.

-2 Prior report releases and presentations reported the net effect of this change, resulting in previously reported amounts of \$(212,043.18)k for PBL Net Revenue (Expense), and \$(205,730.03)k for PBL MNR Adjustment.

-3 Revenue Adjustments reflect impacts from SFAS 133 that are subtracted from net revenue, while EN Debt Service adjustments reduce MNR if rate case amounts exceed actual EN Debt Services expenses.

-3 Consistent with the GRSP's, the Modified Net Revenue (MNR) is an adjustment to Net Revenues for the purpose of calculating the rate case Financial and Safety-net Cost Recovery Adjustment Clause.

The MNR excludes the impact of SFAS 133 transactions (Accounting for Derivative Instruments and Hedging Activities); for Debt Service, the MNR excludes actual EN debt service and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies.

-4 FYTD PBL MNR equals \$178 million and FYTD FCRPS MNR equals \$159 million .

-5 The GRSP's definition of the Accumulated Net Revenue (ANR) differs from the accounting standard definition of ANR. The GRSP's defined ANR is used in determining the FB CRAC rates; the GRSP's ANR represents the accounting standard Accumulated Net Revenue (starting 09/30/99) less the accumulated effects of FAS 133 and EN debt refinancing activities (see note 1.)

-6 In accordance with the GRSP's, the FB CRAC thresholds were established to provide an upward adjustment to rates to address declining financial circumstances.

The thresholds are established as a benchmark in which to evaluate the financial condition. The FB CRAC thresholds for the ends of FY 2003 - 2005 are reset to equal the SN CRAC thresholds each time the SN CRAC thresholds are recalculated. [SN-03-A-02]

-7 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. This report is not an absolute prediction of future revenues or costs, nor does it reflect the actual ANR for the end of the fiscal year, (unless otherwise indicated.) This report should not be used for investment purposes, nor is it a guarantee that the actual ANR will be achieved as forecasted.

-8 Because the FCRPS MNR excludes actual EN debt service amounts and substitutes the Energy Northwest debt service expenses as forecasted in the WP-02 Final Studies, the FCRPS MNR removes the effect of debt refinancing from BPA's annual financial activities.

-9 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05 and includes transmission data that is consistent with the data presented in the Programs-in-Review (PIR) process.



# Customer Collaborative October Meeting

## Financial Overview through August 31, 2005

Corporate Business Unit					
Statement of Revenues and Expenses - Customer Collaborative					
Through the Month Ended August 31, 2005 as of August 31, 2005					
Preliminary/ Unaudited					
Data Source: EPM Data Warehouse					
Run Date: September 14, 2005					
Run Time: 01:34					
% of Year Lapsed = 92%					
Report ID: CC_0024					
Requesting BL: CORPT					
Unit of measure: \$ Thousands					
	A	B <Note 4	C	D	E
	Actuals: FY 2004	Target SOY: FY 2005	Forecast: Qtr 3 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
<b>Operating Revenues</b>					
1 Sales					
2 Miscellaneous Revenues					
3 Derivatives - Mark to Market Gain (Loss)					
4 U.S. Treasury Credits					
5 <b>Total Operating Revenues</b>					
<b>Operating Expenses</b>					
Power System Generation Resources					
Operating Generation Resources					
6 Columbia Generating Station					
7 Bureau of Reclamation					
8 Corps of Engineers					
9 Long-term Contract Generating Projects					
10 Operating Generation Settlement Payment					
11 Non-Operating Generation					
12 Contracted Power Purchases and Augmentation Power Purchases					
13 Residential Exchange/IOU Settlement Benefits					
14 Renewable and Conservation Generation, including C&RD					
15 Subtotal Power System Generation Resources					
16 PBL Transmission Acquisition and Ancillary Services					
17 PBL Non-Generation Operations					
18 Transmission Operations					
19 Transmission Maintenance					
20 Transmission Engineering					
21 TBL Transmission Acquisition and Ancillary Services					
22 Transmission Reimbursables					
23 Fish and Wildlife/USF&W/Planning Council/Environmental Requirements					
General and Administrative/Shared Services					
24 Additional Post-Retirement Contribution					
25 Corporate Support (G&A and Shared Services) / TBL Supply Chain					
26 Other Income, Expenses & Adjustments <Note 1				(735)	(980)
27 Non-Federal Debt Service <Note 2	(181,858)	(119,024)	(119,720)	(145,246)	(167,393)
28 Depreciation & Amortization					
29 <b>Total Operating Expenses</b>	(181,858)	(119,024)	(119,720)	(145,981)	(168,373)
30 <b>Net Operating Revenues (Expenses)</b>	181,858	119,024	119,720	145,981	168,373
<b>Interest Expense</b>					
31 Interest <Note 3	(15,503)	(25,700)	(25,080)	(23,005)	(14,211)
32 AFUDC				(266)	(118)
33 <b>Net Interest Expense</b>	(15,503)	(25,700)	(25,080)	(23,271)	(14,329)
34 <b>Net Revenues (Expenses) from Continuing Operations</b>	197,361	144,724	144,800	169,253	182,702
35 <b>Net Revenues (Expenses)</b>	\$197,361	\$144,724	\$144,800	\$169,253	\$182,702

<1 Balances may be due to under/(over) clearing of Corporate expenses.

<2 Corporate Non-Federal Debt Service represents transactions related to Energy Northwest Debt Reassignment.

<3 Corporate Interest reflects the reassignment of Energy Northwest Debt transactions for interest paid by the Transmission business line for use of Debt Reassignment proceeds.

<4 The Start-of-Year (SOY) budget reflects the power rates decisions made in September 2004 for FY05.



# Customer Collaborative October Meeting

## Financial Overview through August 31, 2005

Transmission Business Line		
Report ID: CC_0023	Statement of Revenues and Expenses - Customer Collaborative	Data Source: EPM Data Warehouse
Requesting BL: TRANS	Through the Month Ended August 31, 2005 as of August 31, 2005	Run Date/Time: September 14, 2005/ 01:22
Unit of Measure: \$ Thousands	Preliminary/ Unaudited	% of Year Lapsed = 92%

	A	B <Note 1	C <Note 2	D <Note 3	E	F
	Actuals: FY 2004	Rate Case Forecast: FY 2005	Target: SOY FY 2005	Forecast: Quarter3 FY 2005	Actuals: FYTD 2005	Actuals: FYTD 2004
<b>Operating Revenues</b>						
1 Sales	503,068	599,661	501,461	504,615	457,759	461,993
2 Miscellaneous Revenues	32,868	13,404	42,852	25,540	23,985	28,692
3 Inter-Business Unit Revenues	108,123	132,077	95,493	103,231	99,049	98,384
4 <b>Total Operating Revenues</b>	<b>644,059</b>	<b>745,142</b>	<b>639,806</b>	<b>633,385</b>	<b>580,792</b>	<b>589,069</b>
<b>Operating Expenses</b>						
5 Transmission Operations	83,998	98,811	77,893	77,035	68,171	75,078
6 Transmission Maintenance	77,475	86,511	83,218	75,251	71,051	69,227
7 Transmission Engineering	19,893	10,768	9,099	9,415	7,963	10,375
8 TBL Transmission Acquisition and Ancillary Services <Note 4	79,977	88,860	86,292	88,508	72,585	76,122
9 Transmission Reimbursables	8,352	10,000	10,000	10,900	10,271	7,421
General and Administrative/Shared Services						
10 Additional Post-Retirement Contribution	15,450	13,250	13,250	13,250	12,146	14,163
11 Corporate Support - G&A and Shared Services/TBL Support - Supply Chain	47,166	63,978	64,528	63,753	57,864	41,747
12 Other Income, Expenses & Adjustments	(4,008)		(980)	(577)	(500)	431
13 Non-Federal Debt Service <Note 4	1,191		(6,432)	(6,432)		(82)
14 Depreciation & Amortization <Note 4	188,942	190,746	189,150	190,600	175,038	168,872
15 <b>Total Operating Expenses</b>	<b>518,438</b>	<b>562,924</b>	<b>526,017</b>	<b>521,702</b>	<b>474,589</b>	<b>463,353</b>
16 <b>Net Operating Revenues (Expenses)</b>	<b>125,620</b>	<b>182,217</b>	<b>113,789</b>	<b>111,683</b>	<b>106,203</b>	<b>125,716</b>
<b>Interest Expense</b>						
17 Interest	158,350	199,789	159,072	146,150	137,444	146,972
18 AFUDC	(20,528)	(23,500)	(17,535)	(13,500)	(12,156)	(18,944)
19 <b>Net Interest Expense</b>	<b>137,822</b>	<b>176,289</b>	<b>141,537</b>	<b>132,650</b>	<b>125,289</b>	<b>128,028</b>
20 <b>Net Revenues (Expenses) from Continuing Operations</b>	<b>(12,202)</b>	<b>5,928</b>	<b>(27,748)</b>	<b>(20,967)</b>	<b>(19,085)</b>	<b>(2,312)</b>
21 <b>Net Revenues (Expenses)</b>	<b>(\$12,202)</b>	<b>\$5,928</b>	<b>(\$27,748)</b>	<b>(\$20,967)</b>	<b>(\$19,085)</b>	<b>(\$2,312)</b>

<1 The TBL groupings of expenses by programs and sub-programs for FY 2005 estimates, developed as part of the 2005 Rate Case, are reconstituted to match the programs and sub-programs groupings shown on this report.

<2 The Start-of-Year (SOY) budget for FY 2005 is consistent with the data presented in the Programs-in-Review (PIR) process.

<3 Although the forecasts in this report are presented as point estimates, BPA operates a hydro-based system that encounters much uncertainty regarding water supply and wholesale market prices. These uncertainties, among other factors, may result in large range swings +/- impacting the final results in revenues, expenses, and cash reserves.

<4 Beginning in FY 2004, consolidated actuals reflect the inclusion of transactions associated with a Variable Interest Entity (VIES), which is in accordance with the FASB Interpretation No. 46 (FIN 46) that is effective as of December, 2003. VIES information is not included in rate case, budget and forecast data.

